

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

This filing relates to PREPA.

**STATUS REPORT OF THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO IN CONNECTION WITH COURT'S ORDER CONCERNING
PROOFS OF CLAIM NOS. 11497 AND 11790 [ECF NO. 21030]**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”) pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),¹ in compliance with the Court’s *Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 21030], respectfully submits this status report (this “Sixth Status Report”) and requests entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), granting permission to file a further status report. In support thereof, PREPA represents as follows:

STATUS REPORT

1. Pursuant to the *Order (A) Authorizing Alternative Dispute Resolution Procedures, (B) Approving Additional Forms of Notice, and (C) Granting Related Relief* [ECF No. 12576] (the “ADR Order”), PREPA transferred Proofs of Claim Nos. 11497 and 11790 (the “Claims”) into the ADR Procedures² through the *Fifteenth Notice of Transfer of Claims to Alternative Dispute Resolution* [ECF No. 17832], filed on August 13, 2021. Thereafter, PREPA served upon the claimants associated with the Claims (the “Claimants”) ADR Notices containing confidential offers of settlement (the “Offers”). The ADR Notices permitted Claimants to designate whether Claimants accepted the Offers, rejected the Offers, or submitted counteroffers. On February 4, 2022, Claimants returned the ADR Notices indicating claimants rejected the Offers (the “Rejections”).

¹ PROMESA is codified at 48 U.S.C. §§ 2101–2241.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the ADR Order.

2. Pursuant to paragraph 2(f) of the ADR Procedures, PREPA filed a *Notice of Impasse Regarding Proofs of Claim Nos. 11497 and 11790* on February 14, 2022 [ECF No. 20128] (the “Notice of Impasse”). However, in the Notice of Impasse, PREPA noted that since receiving the Rejections, counsel for PREPA had communicated with counsel for Claimants to determine whether the parties may be able to resolve the Claims without the need for Evaluative Mediation. Accordingly, in order to provide additional time to pursue these discussions prior to engaging in Evaluative Mediation, PREPA requested permission to file a status report within fourteen (14) days of filing of the Notice of Impasse, on or before Monday, February 28, 2022, notifying the Court of the status of the parties’ discussions and whether the parties have reached an impasse that requires Evaluative Mediation.

3. The Court entered the *Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 20171], ordering the Debtor to file a status report addressing the status of the parties’ discussions regarding the Claims, including whether Evaluative Mediation should proceed as set forth in the ADR Procedures. Thereafter, counsel for the Debtor filed: the *Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court’s Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 20228], dated February 28, 2022 (the “First Status Report”); the *Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court’s Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 20334], dated March 14, 2022 (the “Second Status Report”); the *Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court’s Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 20508], dated April 4, 2022 (the “Third Status Report”); the *Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court’s Order Concerning Proofs of Claim Nos. 11497 and*

11790 [ECF No. 20606], dated April 25, 2022 (the “Fourth Status Report”); and the *Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court’s Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 21007], dated May 25, 2022 (the “Fifth Status Report,” and together with the First Status Report, the Second Status Report, the Third Status Report, and the Fourth Status Report, the “Status Reports”), informing the Court that the parties continue discussion regarding a potential settlement.

4. Since the filing of the Status Reports, counsel for PREPA and counsel for Claimants have continued to hold discussions regarding a potential settlement of the Claims and are attempting to determine whether they are able to consensually resolve remaining issues. Accordingly, PREPA continues to believe that additional time would be beneficial in pursuit of a final resolution of the Claims.

5. PREPA therefore requests entry of the Proposed Order granting permission to file a further status report within thirty (30) days, on or before July 25, 2022, notifying the Court of the status of the parties’ continued discussions and whether the parties have reached an impasse that requires Evaluative Mediation.

Dated: June 24, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Ehud Barak
Martin J. Bienenstock
Ehud Barak
Paul P. Possinger
(Admission *Pro Hac Vice*)
PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

/s/ Hermann D. Bauer

Hermann D. Bauer

USDC No. 215205

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

*Attorneys for the Financial Oversight and
Management Board for Puerto Rico as
representative for the Puerto Rico Electric
Power Authority*

Exhibit A

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et*
al.,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

This filing relates to PREPA.

[PROPOSED] ORDER CONCERNING
PROOFS OF CLAIM NOS. 11497 AND 11790 [ECF NO. 20128]

1. Pursuant to the *Order (A) Authorizing Alternative Dispute Resolution Procedures, (B) Approving Additional Forms of Notice, and (C) Granting Related Relief* [ECF No. 12576] (the “ADR Order”), PREPA (the “Debtor”) transferred Proofs of Claim Nos. 11497 and 11790 (the “Claims”) into the ADR Procedures² through the *Fifteenth Notice of Transfer of Claims to*

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Alternative Dispute Resolution [ECF No. 17832], filed on August 13, 2021. Thereafter, the Debtor served upon the claimants associated with the Claims (the “Claimants”) ADR Notices containing confidential offers of settlement (the “Offers”). The ADR Notices permitted Claimants to designate whether Claimants accepted the Offers, rejected the Offers, or submitted counteroffers. On February 4, 2022, Claimants returned the ADR Notices indicating claimants rejected the Offers (the “Rejections”).

2. Pursuant to paragraph 2(f) of the ADR Procedures, the Debtor filed a *Notice of Impasse Regarding Proofs of Claim Nos. 11497 and 11790* on February 14, 2022 [ECF No. 20128] (the “Notice of Impasse”). However, in the Notice of Impasse, the Debtor noted that since receiving the Rejections, counsel for the Debtor had communicated with counsel for Claimants to determine whether the parties could resolve the Claims without the need for Evaluative Mediation. Further, the Debtor represented that the parties would benefit from additional time to pursue these discussions prior to engaging in Evaluative Mediation, and requested permission to file a status report within fourteen (14) days of the filing of the Notice of Impasse, on or before Monday, February 28, 2022, notifying the Court of the status of the parties’ discussions and whether the parties have reached an impasse that requires Evaluative Mediation.

6. The Court entered the *Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 20171], ordering the Debtor to file a status report addressing the status of the parties’ discussions regarding the Claims, including whether Evaluative Mediation should proceed as set forth in the ADR Procedures. Thereafter, counsel for the Debtor filed the *Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court’s Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. 20228], dated February 28, 2022 (the “First Status Report”), the *Status Report of the Financial Oversight and Management Board*

for Puerto Rico in Connection with Court's Order Concerning Proofs of Claim Nos. 11497 and 11790 [ECF No. 20334], dated March 14, 2022 (the "Second Status Report"), the Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court's Order Concerning Proofs of Claim Nos. 11497 and 11790 [ECF No. 20508], dated April 4, 2022 (the "Third Status Report"), the Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court's Order Concerning Proofs of Claim Nos. 11497 and 11790 [ECF No. 20606], dated April 25, 2022 (the "Fourth Status Report"); and the Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court's Order Concerning Proofs of Claim Nos. 11497 and 11790 [ECF No. 21007], dated May 25, 2022 (the "Fifth Status Report").

7. On June 24, 2022, the Debtor filed the *Status Report of the Financial Oversight and Management Board for Puerto Rico in Connection with Court's Order Concerning Proofs of Claim Nos. 11497 and 11790* [ECF No. ____] (the "Sixth Status Report"). Therein, the Debtor represented that counsel for the Debtor and counsel for Claimants have continued to hold discussions regarding a potential settlement of the Claims and are attempting to determine whether they are able to consensually resolve remaining issues. Accordingly, PREPA continues to believe that additional time would be beneficial in pursuit of a final resolution of the Claims.

3. Accordingly, the Court having reviewed the Sixth Status Report and the Debtor's representations therein, and finding good cause for the relief requested, it is hereby:

ORDERED that the Debtor shall file a status report on or before July 25, 2022 addressing the status of the parties' discussions regarding Proofs of Claim Nos. 11497 and 11790, including whether Evaluative Mediation should proceed as set forth in the ADR Procedures.

SO ORDERED.

Dated: _____

Honorable Judith Gail Dein
United States District Judge